



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 15, 2002

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **COUNTY COMMISSION ON HIV HEALTH SERVICES
CONSULTING SERVICE PURCHASE ORDERS**

On October 15, 2002, Supervisor Antonovich requested the Auditor-Controller, in conjunction with County Counsel, to investigate allegations regarding the Department of Health Services (DHS) Office of AIDS Planning and Programs (OAPP) and the County Commission on HIV Health Services (Commission). The allegations involved the Commission's alleged use of consultants without approved purchase orders and the need for retroactive agreements to pay the consultants.

We have reviewed the documentation related to the solicitation process and purchase orders. Our review was intended to evaluate the alleged violations of County purchasing policy. We conclude that, while the selection/purchase order process did not comply with all County purchasing rules, the violations do not appear to warrant canceling the selections that were made. The following are the details of our review.

Retroactive Purchase Orders

Our review indicated that the retroactive contracts are the result of DHS delays in requesting the Internal Services Department's (ISD) approval of the purchase orders, and because the Commission instructed some of the consultants to begin work without the approved purchase orders.

The Commission issued the Requests for Proposals and selected the consultants at various times, with most of the selections completed by April 2002. The purchase order requests were submitted to DHS Materials Management after the selections were made and, in June 2002, the Department advised the Board's Health Deputies of their intent to issue purchase orders to the consultants. However, the purchase order requests were not submitted to ISD for approval until August 2002. DHS' Board letter indicates that the consultants started work without the purchase orders being issued because

funding application.

RFP Distribution

DHS stated that the RFPs were sent to an “extensive” number of firms. However, as discussed in DHS’ Board letter, the solicitations were not posted on the County’s Small Business website. We contacted some of the firms on DHS’ RFP distribution list and found that some firms may not have received the RFPs. However, it appears that the RFPs were received by a reasonably large number of firms to obtain a competitive bid.

Splitting Purchase Orders

It was also alleged that the Commission split two of the projects (Service Needs Assessment and Comprehensive Care Plan) to keep the total under \$100,000. Contracts or purchase orders in the amount of \$100,000 or more require Board of Supervisors approval. We noted that the Commission issued separate RFPs for each of the six projects. The Commission could have awarded the projects to separate firms. However, based on the evaluation process, one firm was awarded these two projects, totaling \$120,000. Based on our review, it appears that the awarding of these two projects to the same firm was based on the evaluation process, and not an attempt to split a purchase order to stay under the \$100,000 limit. Nevertheless, the purchase order should have been submitted for Board approval.

Evaluation Scoring

We noted that the Commission averaged the evaluation scores for two other projects (Financial Needs Assessment and Budget Training) to award the two projects to the same firm. The selected firm had received the highest score on one proposal and the second highest score on the second proposal. The Commission minutes indicate that the Commission believed using the same firm would result in a better and more timely work product.

As noted earlier, our review indicates that while DHS did not comply with all County purchasing rules, the violations did not appear to warrant cancelling the selected contractors. DHS’ Board letter on this matter dated November 7, 2002 states that the Department has instructed the Commission not to authorize services to be provided before a purchase order or contract is issued and that DHS will provide contract training to the Commission. DHS has indicated to us that it is attempting to identify the employee who authorized the consultants to begin working before the purchase orders were approved and intends to take disciplinary action against the employee for violating County policy as appropriate.

If you have any questions, please call me, or have your staff contact DeWitt Roberts at (213) 974-0301.

Attachment

c: David E. Janssen, CAO
Lloyd W. Pellman, County Counsel
Thomas L. Garthwaite, Director and Chief Medical Officer, DHS
Joan Ouderkirk, Director, ISD
Audit Committee
Public Information Officer



Board of Supervisors County of Los Angeles

MICHAEL D. ANTONOVICH
SUPERVISOR FIFTH DISTRICT

October 15, 2002

TO: J. Tyler McCauley
Auditor-Controller

Lloyd W. Pellman
County Counsel

FROM: Michael D. Antonovich
Supervisor, Fifth District

SUBJECT: CORRESPONDENCE FROM GENEVIEVE CLAVREUL

Attached please find correspondence from Genevieve Clavreul, concerning the Department of Health Services Office of AIDS Programs and Policy, and the Commission on HIV Health Services.

✓ Please investigate Ms. Clavreul's allegations and provide me with a report.

Thank you for your attention to this matter.

MDA:rkrh

cc: Sharon Richman, County Counsel
Genevieve Clavreul

Geneviève M. Clavreul

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October 7, 2002

Board of Supervisors
Los Angeles County
Kenneth Hahn Hall of Administration
8th Floor
Los Angeles, CA

Honorable Supervisors:

As you may all recognize I continue to express my concerns regarding the Department of Health Services, (DHS) and in particular its Office of AIDS Programs and Policy, (OAPP) and the Commission on HIV Health Services, (CHHS). I feel some of you have grown weary with my reminders of their wrongdoings and circumvention of County procedures, protocol, and government laws. However, I do this because I see no change in their behaviors and can therefore assume no corrective action has been taken.

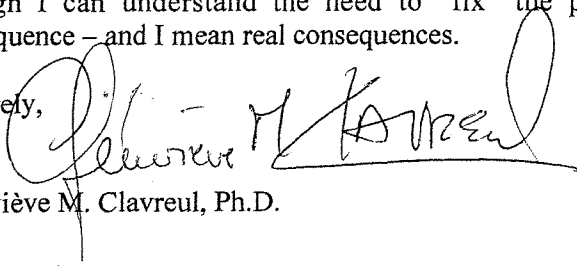
Occasionally I see small glimpses of hope. A recent example was the call for OAPP to answer three separate Board motions. However, even the Board is not above being treated with contempt by the staff of OAPP and DHS – since the report was not only late but does not appear to address any of the Board Motions completely. It is this apparent, “being above reproach” that lends credence to the belief that the staff of OAPP, and its director, are “protected” and afforded more latitude than other program directors in the County.

Therefore, I am sure you can imagine my surprise to witness the discussion, which took place during last week’s Health Deputy meeting. Members of the CHHS came to the October 2nd Health Deputy meeting to ask for guidance on getting various purchase orders (PO) approved. During this meeting, when the Health Deputies were presented an Item for discussion (seems like a Brown Act violation to me – but that is for another letter), that the co-chair of the Commission Mr. Ballesteros let it be known that the services of consultants had been secured without a PO or executed contract being awarded. I found the response of some of the Health Deputies of interest, because their concern seemed to be more focused on how to get the PO’s signed retroactively than to discover how this breach of County policy and procedure occurred. Ms. Román’s questions as to who had authorized these actions, even though there was no executed contract, went unanswered; as was her concern about how the CHHS, which has no legal authority to award contracts did just that.

I ask you to show the leadership that the constituents of Los Angeles County were expecting from you when they elected you to your respective seats. These POs should not be retroactively signed, instead the individuals responsible for approving such an action should be dismissed and the CHHS executive committee should be censured and reprimanded for placing the County in such a position of potential liability. Either, the entire Commission on HIV Health Services should be dismantled and reconstituted with individuals who take their fiscal and fiduciary responsibility more seriously than the current commission.

Though I can understand the need to "fix" the problem, it should not be done without consequence – and I mean real consequences.

Sincerely,

A handwritten signature in black ink, appearing to read "Geneviève M. Clavreul", with a large, stylized loop at the end.

Geneviève M. Clavreul, Ph.D.

GMC/cme



**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
Public Health**

THOMAS L. GARTHWAITE, M.D.
Director of Health Services and Chief Medical Officer

JONATHAN E. FIELDING, M.D., M.P.H.
Director of Public Health and Health Officer

Office of AIDS Programs and Policy

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September 24, 2002

TO: John F. Schunhoff, Ph.D.
Chief of Operations, Public Health

FROM: Charles L. Henry, Director
Office of AIDS Programs and Policy

SUBJECT: REQUESTED INFORMATION ABOUT PENDING POs

Anna Long asked for the following information and materials in preparation for Mr. Leaf's discussion with Ms. Ouderkirk of ISD, regarding the four Commission on HIV Health Services pending POs for Parliamentary, Service Needs Assessment, Financial Needs Assessment and Comprehensive Care Plan.

Attached is a fact sheet detailing the process used for each of these POs, a timeline with all of the relevant dates, the original RFPs and the all of the proposals submitted in response to each of the RFPs.

If you have any questions or need additional information, please feel free to contact me or Craig Vincent-Jones, HRSA Grants Manager (213) 351-8132.

CLH:cavj
F:PO Information

Attachments

c: Anna Long
Nettie DeAugustine/Al Ballesteros
Chron (CLH)



BOARD OF SUPERVISORS

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Fifth District

PO PROCESS FACT SHEET

RFPs. Following are the RFPs that were released for three of the four pending POs for the Commission on HIV Health Services:

- 1) Service Needs Assessment (\$30,000)
- 2) Comprehensive Care Plan (\$90,000)
- 3) Financial Needs Assessment (\$30,000)

— been done to meet HRSA, needed to apply for.

There was no RFP for the fourth pending PO, the Parliamentarian (\$10,000), as staff contacted eligible candidates directly, and asked them to submit resumes and cost quotations.

Scopes of Work. The scopes of work for each project are outlined in detail in each of the RFPs. The scopes of work for the Service Needs Assessment, the Financial Needs Assessment, and the Comprehensive Care Plan are all considerably different from one another, separate and distinct. However, the Comprehensive Care Plan does rely, in part, on the information and findings generated by the Service and Financial Needs Assessments.

Timeline. In each case, the appropriate Commission Committee recommended the project and the allocation to the Commission in response to HRSA guidelines and mandates: Parliamentarian (Recruitment, Diversity and Bylaws Committee); Service Needs Assessment and Comprehensive Care Plan (Priorities, Planning and Evaluation Committee); Financial Needs Assessment (Fiscal Committee). In each case, the Commission approved the project and its allocation overwhelmingly (and, in most cases, unanimously). Attached is a table outlining all of the relevant dates in the timeline.

Solicitation Process. For the Services Needs Assessment, the Financial Needs Assessment and the Comprehensive Care Plan, the same process was followed. Three specialized lists were used to reach the maximum audience: the County's Auditor/Controller's Master Contractor list, the Center for Non-Profit Management's internal mailing list, and an in-house list. The mailing reached more than 75 recipients directly from the Office, and possibly dozens more because the Center for Non-Profit Management sent the RFPs separately to its list. The in-house list was developed by including consultants who have worked with OAPP in the past, references from those consultants, and references from HRSA and other EMAs.

The Parliamentarian selection process was coordinated differently. Since the Commission required accredited Parliamentarians—and no formal groupings of Parliamentarians, such as partnerships or larger agencies appeared to exist in Southern California—OAPP staff contacted the National Association of Parliamentarians. Staff contacted the Association's member Parliamentarians in Los Angeles, Orange, Riverside and San Bernardino Counties by telephone, and asked the to submit resumes and cost quotations.

In all four RFPs, the work to be performed and the ultimate consultants to be selected were highly specialized. As already detailed, the Parliamentary services had to be rendered by an accredited Parliamentarian; the needs assessments and the Comprehensive Care Plan required extensive experience with the Ryan White CARE Act and HRSA, and prior, related project experience. It was felt solicitation lists—even though they were sent out to the larger lists (except for the Parliamentarian)—needed to be more specialized and targeted, making the field of realistically possible candidates a small one across the country—there are very few, if any, firms in Los Angeles County who have that CARE Act experience and specialty.

Unfortunately, the RFPs were not posted on the County's Small Business website due to staff's misinterpretation of a draft chapter on solicitations in the proposed County-wide Contracting Manual, in which section 6.7 (Public Notice of Solicitations) said " . . . Posting on the Office of Small Business web site is required for all contracts over \$25,000 (CAO's memo of October 30, 1998)." Staff concluded that since the RFP would result in a purchase order, not a contract—and since the Commission on HIV Health Services is not listed on the Small Business website—staff determined the Small Business website posting was not required. Given the specialization of the RFPs, staff—while thinking the Commission was not required to post the RFPs—figured that the level of specialty would be prohibitive to the businesses using that website. The RFPs were, however, posted on the Commission's website, although we don't have record of the transactions any longer, and the RFPs are no longer posted.

Final Selections. The final selection for the Parliamentarian was James Stewart, an accredited Parliamentarian. There were four submissions in response to the Parliamentarian acquisition process. Staff directly contacted, or tried to contact, the eleven National Association of Parliamentarians members in the three-County area.

The final selection for the Financial Needs Assessment consultant was Dave Schwartz, The Resources Company, one of the approved contractors on the Auditor/Controller's contractor list. Six proposals in response to the RFP were received.

The final selection for the Service Needs Assessment and the Comprehensive Care Plan was Partnership for Community Health. Only two proposals were received in response to each of the RFPs. Through communications with numerous other individuals/firms, most potential candidates declined to submit proposals in response to the RFPs because they did not judge their experience adequate. Those additional communications were with:

- Mercer & Co., they judged they did not have significant enough experience;
- Jesse Bryant, he judged he did not have significant enough experience;
- Doherty & Co., they judged they did not have significant enough experience;
- Tama Smith & Assoc., she judged she did not have significant enough experience;

- Pat Franks, had too many projects on her calendar to finish these projects in the short timeline allowed (however, she did refer the project to the firm who was ultimately selected);
- Donna Yutzy, had too many projects on her calendar to finish these projects in the short timeline allowed; and
- KH Consulting Group, had too many projects on their calendar to finish these projects in the short timeline allowed.

The Commission's PP&E Committee ultimately chose the same firm for the Service Needs Assessment and the Comprehensive Care Plan, because that firm presented the best proposal in both categories. The PP&E Committee recognized—as a result of that selection, but did not make the selection solely on that reason—time efficiencies and cost economies would be realized because the consultant performing the comprehensive care plan would already be familiar with some of the data and findings resulting from the service needs assessment.

PO PROCESS TIMELINE

	RFP RELEASED	RFP DEADLINE	SELECTION MADE	PO REQUEST SUBMITTED	DHS PO APPROVAL
Parliamentarian	NA	NA	8/21/2001	11/16/2001	6/4/2002
Service Needs Assessment	2/11/2002	3/8/2002	3/14/2002	4/1/2002	6/4/2002
Comprehensive Care Plan	2/11/2002	3/8/2002	3/14/2002	4/1/2002	6/4/2002
Financial Needs Assessment	3/4/2002	3/25/2002	4/11/2002	5/3/2002	6/4/2002